



Forward-Looking Statements

Certain statements contained in this presentation constitute forward-looking statements that are subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically use words such as “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expect,” “estimate,” “project,” “positioned,” “strategy,” “seek,” “may,” “could,” and similar expressions. These are based on assumptions and assessments made by the Company’s management in light of experience and perception of historical trends, current conditions, expected future developments and other factors that the Company believes to be appropriate. These forward-looking statements are subject to a number of risks and uncertainties, including without limitation: product demand; energy prices; weather; competition; credit market conditions; cash flows; access to available and feasible financing; future stock repurchases; the impact of recessionary conditions; consumer debt levels; changes in laws or regulations; war and the prospect of war, including terrorist activity; the impact of public health issues, such as the COVID-19 pandemic; inflation; the ability to hire, train and retain qualified employees; construction delays; the compromising of confidentiality, availability or integrity of information, including cyber-attacks; historic growth rate sustainability; downgrade of the Company’s credit ratings; damage to the Company’s reputation; challenges in international markets; failure or interruption of the Company’s information technology systems; origin and raw material costs of suppliers; disruption in the Company’s supply chain; impact of tariffs; anticipated impact of new accounting standards; and business interruptions. Certain of these risks and uncertainties are described in more detail in the “Risk Factors” section contained in Item 1A under Part 1 of the Company’s Annual Report on Form 10-K for the fiscal year ended August 31, 2019 and in our other SEC filings. These Risk Factors should be read carefully. However, it should be understood that it is not possible to identify or predict all such risks and other factors that could affect these forward-looking statements. Forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those contemplated by such forward-looking statements, and events including, but not limited to, those described above could materially and adversely affect the Company’s business. Forward-looking statements speak only as of the date made. Except as required by applicable law, we undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Actual results may materially differ from anticipated results.



Fourth Quarter Fiscal 2020 Conference Call

September 22, 2020

PLEDGE & VALUES

AutoZoners always put customers first!

We know our parts and products.

Our stores look great!

We've got the best merchandise at the right price.



ALLDATA

An AutoZoner Always...

PUTS CUSTOMERS FIRST

Exceed your customers' expectations by providing WOW! Customer Service and going the Extra Mile. Understand your customers' needs and solve their problems. Treat each customer as your only customer.

CARES ABOUT PEOPLE

Treat people with dignity and respect. Recognize great work and provide frequent feedback. Demonstrate concern for others and your community. Create a safe environment. Own your development and help develop others.

STRIVES FOR EXCEPTIONAL PERFORMANCE

Be accountable and honor your commitments. Act in a manner of the highest legal and ethical standards. Use resources wisely and promote a culture of thrift. Take strong initiative, act quickly and do the job right the first time.

ENERGIZES OTHERS

Share your passion for the business. Generate enthusiasm, motivate others and promote innovation. Listen and assume positive intent in others.

EMBRACES DIVERSITY

Welcome each individual's heritage, differences and unique qualities. Build teams with diverse thoughts, skills, knowledge and backgrounds. Value the ideas and opinions of others.

HELPS TEAMS SUCCEED

Actively contribute to team goals and seek opportunities to lead. Be a reliable and supportive team member. Strive for accurate and clear communication. Place team goals over personal goals.

Fourth Quarter FY 2020 P&L - GAAP

in millions (excluding EPS and percentages)	16 Weeks Ended 8/29/2020	17 Weeks Ended 8/31/2019	B/(W)
Net Sales	\$ 4,546	\$ 3,988	14.0%
Gross Margin	53.1%	53.4%	(33 bps)
Operating Expense Ratio	30.7%	33.8%	315 bps
Operating Profit (EBIT)	\$ 1,018	\$ 781	30.4%
Operating (EBIT) Margin	22.4%	19.6%	281 bps
Interest	\$ 65.6	\$ 61.2	(7.3%)
Tax Rate	22.3%	21.5%	
Net Income	\$ 740	\$ 565	31.0%
Diluted Shares	23.9	25.0	4.3%
Diluted EPS	\$ 30.93	\$ 22.59	36.9%

Fourth Quarter FY 2020 P&L - Adjusted

in millions (excluding EPS and percentages)	16 Weeks Ended 8/29/2020	16 Weeks Ended 8/24/2019 ⁽¹⁾	B/(W)
Net Sales	\$ 4,546	\$ 3,750	21.2%
Gross Margin	53.1%	53.4%	(31 bps)
Operating Expense Ratio	30.7%	34.1%	338 bps
Operating Profit (EBIT)	\$ 1,018	\$ 725	40.4%
Operating (EBIT) Margin	22.4%	19.3%	306 bps
Interest	\$ 65.6	\$ 57.6	(14.0%)
Net Income	\$ 740	\$ 524	41.2%
Diluted Shares	23.9	25.0	4.3%
Diluted EPS	\$ 30.93	\$ 20.95	47.6%

⁽¹⁾The Company adjusted Q4 Fiscal 2019 to exclude the impact of the 17th week of operations

FY 2020 P&L - GAAP

<i>in millions (excluding EPS and percentages)</i>	52 Weeks Ended 8/29/2020	53 Weeks Ended 8/31/2019	B/(W)
Net Sales	\$ 12,632	\$ 11,864	6.5%
Gross Margin	53.6%	53.7%	(5 bps)
Operating Expense Ratio	34.5%	35.0%	51 bps
Operating Profit (EBIT)	\$ 2,418	\$ 2,216	9.1%
Operating (EBIT) Margin	19.1%	18.7%	46 bps
Interest	\$ 201	\$ 185	(8.9%)
Tax Rate	21.8%	20.4%	
Net Income	\$ 1,733	\$ 1,617	7.2%
Diluted Shares	24.1	25.5	5.5%
Diluted EPS	\$ 71.93	\$ 63.43	13.4%

Growth Priorities

- **U.S. Retail (DIY)**
- Commercial (DIFM)
- International

New Store Highlights

	16 Weeks Ended August 29, 2020	17 Weeks Ended August 31, 2019	52 Weeks Ended August 29, 2020	53 Weeks Ended August 31, 2019
Domestic:				
Beginning stores	5,836	5,686	5,772	5,618
Stores opened	49	86	113	154
Ending domestic stores	<u>5,885</u>	<u>5,772</u>	<u>5,885</u>	<u>5,772</u>
Relocated stores	4	-	5	2
Stores with commercial programs	5,007	4,893	5,007	4,893
Square footage (in thousands)	38,559	37,769	38,559	37,769
Mexico:				
Beginning stores	610	576	604	564
Stores opened	11	28	17	40
Ending Mexico stores	<u>621</u>	<u>604</u>	<u>621</u>	<u>604</u>
Brazil:				
Beginning stores	38	25	35	20
Stores opened	5	10	8	15
Ending Brazil stores	<u>43</u>	<u>35</u>	<u>43</u>	<u>35</u>
Total	<u>6,549</u>	<u>6,411</u>	<u>6,549</u>	<u>6,411</u>
Square footage (in thousands)	43,502	42,526	43,502	42,526
Square footage per store	6,643	6,633	6,643	6,633

Growth Priorities

- U.S. Retail (DIY)
- **Commercial (DIFM)**
- International

Fourth Quarter Commercial Highlights

	# of Commercial Programs	
Total Commercial Programs	5,007	
% increase in programs vs. LY	2.3%	
	4th Quarter	Trailing 4 Qtrs
Domestic Commercial Sales: (\$ millions)	\$975.6	\$2,727.8
% increase in sales	10.0%	6.4%
	4th Quarter	Trailing 4 Qtrs
Domestic Avg Wkly \$/Program (\$ thousands)	\$12.2	\$10.6
% increase*	14.2%	5.6%

* Two Point Average for Programs Open

Balance Sheet Highlights

(\$ in Millions, except per store amounts are in thousands)	As of 8/29/2020	As of 8/31/2019	H/(L)
Inventory	\$ 4,473	\$ 4,319	3.6%
Inventory/store	\$ 683	\$ 674	1.3%
Inventory, net of payables	\$ (683)	\$ (546)	25.1%
Inv., net of payables/store	\$ (104)	\$ (85)	22.4%
Inventory turns	1.3x	1.3x	-
Working capital	\$ 505	\$ (483)	204.4%
Property and equipment, net	\$ 4,509	\$ 4,399	2.5%
Debt	\$ 5,513	\$ 5,206	5.9%
Stockholders' Deficit	\$ (878)	\$ (1,714)	48.8%

Strong Financial Disciplines

- Live the Pledge
- Continued EPS growth
- Grow Retail Sales
 - Make sure we put our customers first in everything we do
 - Customer service will continue to be our key point of differentiation
 - Improved parts coverage
 - Continue deploying inventory more effectively across network
 - Invest in AutoZoner training and retention
 - Make sure our stores look great
- Grow Commercial Sales
 - Currently, represents only 4%* overall market share with significant opportunity for growth
 - Continue focus on building best-in-class B2B sales organization
 - Increased engagement of store management
 - Invest in technology to improve customer service and create a seamless experience
 - Focused on profitable growth
- Prudently paced International growth
- Relentless focus on managing costs

*Based on Auto Care Association 2020 Factbook Commercial Industry estimated 2018 size of \$76.1B

